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THE INTERIM

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MARCH 1984

VOL. IV, NO. 10

SUBCOMMITTEE ON AGRICULTURAL LAND TAXATION

FURTHER
COMMITTEE ACTION
ON "HOLD"

The Subcommittee did not meet in February after making its recommendation to the Revenue Oversight Committee in January. That recommendation was to continue using the values currently applied to agricultural lands. Those values will be continued through the next appraisal cycle (1991). The Subcommittee is currently awaiting review of the recommendation by the Revenue Oversight Committee before developing its final report and recommendations.

JOINT INTERIM SUBCOMMITTEE NO. 2

SUBCOMMITTEE TO
MEET MARCH 31

Saturday, March 31, has been selected as the date for the meeting of Joint Interim Subcommittee No. 2 in Room 104 of the Capitol.

FOREST FIRE
FEE OPTIONS

The meeting will open at 8 a.m., when the Subcommittee will receive a report from Commissioner of State lands Dennis Hemmer on a proposed range of options for fire protection fees on private forest lands. The Subcommittee hopes to complete its state lands study under HJR 40 at this meeting.

10 A.M. HEARING
ON NAVIGABILITY
SET

Scheduled to start at 10 a.m. is a public hearing on the navigability issue under HJR 36. Suggestions are requested for resolving controversy between landowners and recreationists over use of Montana streams. The Subcommittee hopes the suggestions will be specific, workable, and considerate of the interests of all parties. Organizations sharing similar views are requested to make presentations through a single spokesperson to eliminate repetition.

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After the hearing, which is expected to last up to three hours, the Subcommittee will begin development of specific recommendations.

JOINT INTERIM SUBCOMMITTEE NO. 3

INVESTMENT
POLICIES REVIEWED

Members and staff of the Board of Investments and of the Economic Development Board reported on their policies and operations to Subcommittee No. 3 and the Coal Tax Oversight Subcommittee on February 22. Representatives of several private investment firms also made statements to the Subcommittee.

APRIL 19, 20
MEETING PLANNED

Next meeting of Subcommittee No. 3 will be April 19 and 20 in Helena when Court Unification, Pensions, and Investments studies will be on the agenda. The Insurance study will be taken up at a June meeting.

ADMINISTRATIVE CODE COMMITTEE

MARCH 2 MEETING

The Administrative Code Committee met on March 2 to hear presentations from both private parties and the Committee staff on topics relating to agency rulemaking. The Committee first heard a request from legal counsel for several Hutterite colonies that the Committee make a determination whether recent amendments to certain milk pricing rules adopted by the Board of Milk Control had been adopted in accordance with statutory criteria. According to the Hutterite Colonies appearing before the Committee, a rule change, deleting a requirement that milk producers be given butter fat information on their milk by the milk processor, is not authorized by law and is not reasonably necessary to implement the law. The Committee has voted to ask the Milk Control Board to furnish the Committee with the Board's rulemaking record, in order that the Committee may tell whether the rule amendment has been shown to be necessary.

COURT RULINGS
REVIEWED

The Committee also reviewed several recent district court and Supreme Court opinions concerning rulemaking. After reviewing several Supreme Court opinions in which the Court held that the Montana Administrative Procedure Act (MAPA) applies to political subdivisions, the Committee voted to request that the Committee staff prepare a bill to state clearly what the Committee believes the law to provide now that MAPA applies only to state agencies.

OTHER BUSINESS
INCLUDES SURVEY

In other business, the Committee reviewed the language of a survey it is taking of state agencies to determine compliance with the rulemaking provisions of MAPA, and reviewed the rules proposed and adopted by executive branch agencies in 1983 MAR Issues 22 through 24 and 1984 MAR Issues 1 and 2. The Committee also voted to

request information from agencies on several legal cases involving rulemaking now pending in district courts.

REVENUE OVERSIGHT COMMITTEE

MARCH 30, 31
DATE SET

The next meeting of the Revenue Oversight Committee is scheduled for March 30 and 31 in Room 108 of the Capitol. The meeting will begin at 9:30 a.m. on Friday and at 8:00 a.m. on Saturday.

Items on the agenda will include reports from the Department of Revenue, tax exemption matters, and staff reports on railroad taxation.

The Department of Revenue will give the Committee an update on reappraisal and will also report on the status of timber reappraisal.

RAIL VALUATION
SEMINAR ATTENDED

Seven members of the Committee recently attended a seminar on railroad and utility valuation sponsored by the Lincoln Institute on Land Policy. The seminar provided an opportunity to gain a better understanding of the cost, income, and stock and debt methods of valuing centrally assessed properties.

SELECT COMMITTEE ON INDIAN AFFAIRS

NUMEROUS ISSUES
CONSIDERED
MARCH 1 AND 2

The Select Committee on Indian Affairs met March 1 and 2 in Billings. On March 1, Committee members heard an update on efforts by the Indian Health Service to contract with the Department of Institutions to provide services to mentally ill tribal members who are involuntarily committed for treatment. The Committee also discussed jurisdictional and procedural problems associated with the State-Tribal Cooperative Agreements Act and recommended several amendments to be incorporated into a preliminary bill draft. In addition, the Committee agreed to support Senator Towe's efforts to encourage both the state and the tribe to negotiate a settlement in Crow Tribe v. Montana, a case involving imposition of the state coal tax on the ceded strip.

The topic for discussion on March 2 was the activities of the Reserved Water Rights Compact Commission. Following introductory comments from W. W. Lessley, Chief Water Judge of the Montana Water Courts, the Committee heard testimony from compact commission members, state agency personnel, and tribal representatives. The meeting was well attended, and Committee members heard numerous recommendations for improving negotiations between the state and the tribes.

JUNE 8 AND
SEPTEMBER 14
MEETINGS
ANNOUNCED

The Committee scheduled its next meeting for June 8 and its final meeting for September 14. Agenda topics for the June meeting will include further discussion on involuntary commitments, a review of proposed amendments to the State-Tribal Cooperative Agreements Act, and an examination of excise and natural resource taxes imposed by state and tribal governments on the reservation.

GREAT FALLS
MEETING SET

The next meeting of the Coal Tax Oversight Subcommittee is scheduled for Friday, April 13, in Great Falls, at a location yet to be announced. The Coal Board has been asked to report at that meeting on its expenditures of coal severance tax money in local impact grants.

FURTHER GASIFICATION
MEETINGS
WITH NORTH DAKOTA
CONSIDERED

The Subcommittee is also considering the possibility of a summer session in eastern Montana to meet a counterpart committee from North Dakota to continue discussions started last October when the Montana group visited the Great Plains Coal Gasification plant at Beulah, N.D.

COAL TAX REVIEW
PROCEEDS

Following up on the hearing conducted in Helena on January 19, the Subcommittee has written letters to Governor Schwinden, the president of the Burlington Northern Railroad, and the Montana Coal Council requesting clarification of certain information presented. After responses to those requests are received, the Subcommittee will decide whether another meeting is needed to gather facts on the impact of the coal severance tax.

CURRENT
RENOVATION STATUS
REPORTED

The Architects, Crossman, Whitney, Griffith, are in the process of completing plans and specifications for work approved by the Committee during the December Special Session, which will include the following items:

1. Handicapped access ramps and curb cuts at North entries (2).
2. North drive landscape modifications.
3. Construction of Stairhall B and elevator shaft with related sidewalks.
4. South entry structure remodel.
5. Roof repairs (old Supreme Court area).
6. North entry slab modifications and repairs.
7. West wing waterproofing including related drain tile and drywell.
8. Supreme Court modifications.
9. Exterior stone restoration.

The schedule calls for one general contract to be awarded for the work and for all of the construction to be completed before the next session of the Legislature. Tentative plans are for the bids to be opened at the Architecture and Engineering Division at 2:00 on May 2, 1984.

LATE MAY MEETING
PROBABLE

Chairman Graham will announce a meeting following the opening of the bids. The meeting is likely to be in late May.

LEGISLATIVE FINANCE COMMITTEE

MARCH 23, 24
AGENDA SET

The Legislative Finance Committee will meet March 23 and 24 in Room 104, State Capitol. Subjects planned for discussion include general fund revenue and expenditure trends, public school funds, fiscal control, research priorities at the Montana Agricultural Experiment Station, and mental health costs and services.

BUDGET AMENDED
FEBRUARY 16

The Legislative Finance Committee met February 16 to take action on budget amendments. Three Fish, Wildlife, and Parks budget amendments for game wardens were withdrawn and one was reduced to \$119,787 by the executive branch. A budget amendment for legal costs concerning a law suit against Architecture and Engineering was delayed. The other budget amendments were approved. Of these one provided \$1.2 million for the Low Income Energy Assistance Program and another provided \$788,000 for the Women, Infant, and Children's Food Program.

MEDICAID
INFORMATION
A PROBLEM

The Committee discussed at its February 4th meeting two medicaid issues which may impact the 1985 Legislature: How is the Legislature going to get accurate, timely data on the medicaid services and costs? How are the cost per service and the service utilization increases going to be controlled? The Legislative Finance Committee has asked for a program audit on the medicaid information system. This is the first step to find problems in the present data collection system. The Committee will discuss ways to control cost and service utilization during the coming months.

LEGISLATIVE AUDIT COMMITTEE

LEGISLATIVE AUDIT
COMMITTEE MEETING
APRIL 6

The Legislative Audit Committee will meet April 6 in the State Capitol.

The Committee will receive and review various financial/compliance audit reports and performance audit surveys.

REPORTS AVAILABLE

Copies of all reports are available from the Office of the Legislative Auditor, Room 135, State Capitol, telephone 444-3122, after being presented to the Legislative Audit Committee.

ENVIRONMENTAL QUALITY COUNCIL

APRIL 6 DATE
PLANNED

The Environmental Quality Council tentatively plans to MEET Friday, April 6, at 9:00 a.m. in the Capitol. Items tentatively scheduled for discussion are continued oversight of water quality programs, Superfund activities, energy conservation and renewable programs, and preliminary review of problems with MEPA procedures. EQC subcommittees will also meet. Contact EQC for further details.

CLARK FORK RIVER
STUDY PROPOSED
FEBRUARY 3

The EQC met February 3 to consider the proposed MODIFICATION OF Champion International's Frenchtown Mill pollution discharge permit. After a lengthy discussion, EQC members voted to request the administration to develop a proposal for a comprehensive study of the Clark Fork River. The Council has received significant evidence that the Clark Fork is in a stressed state. Resource professionals have indicated that a lack of data prevents state officials from determining the extent of the problem and from implementing corrective measures.

SMALL-SCALE HYDRO

The EQC also discussed small-scale hydroelectric development and the potential environmental impacts of a WAPA/BPA power sales agreement. EQC subcommittees also met. Watch for the next issue of EQComments for details.

LEGISLATIVE COUNCIL

MEETING HELD
MARCH 2

The Legislative Council met March 2 to hear reports from the staff concerning work in progress and other Council business.

INITIATIVES
CONSIDERED

The Council adopted as a rule its long-standing policy prohibiting staff from drafting initiatives. The review, as provided by law, will of course continue with nine initiatives having been reviewed so far this year.

Plans related to preparation for the next session were discussed by the Council. Numerous items are ordered well in advance of the session assuring they will be available when needed and at the best price.

**EFFORTS TO
IMPROVE SERVICES**

The Council is also working to improve its services to THE Legislature. One area is in the improvement and expansion of the bill status system to enable it to display status by sponsor, by committee, and date, in addition to status by bill number as is currently available. To improve internal operations, the staff is preparing a manual of proofing instructions and checklists; planning for the possible lease of better quality printers for bills; and planning for better ways to prepare vote records to be printed in the journal.

PUBLICATIONS

All special session publications are completed now. Session Laws were mailed a month ago. The MCA update will be mailed by March 9. Journals are being printed now.

The Council heard that there is a problem with very slow sales of the seven-volume set of Constitutional Convention proceedings. The Council suggested additional marketing efforts in order to reduce the inventory and avoid a \$50 per month storage cost now being incurred.

The Legal Services Division reported that 2,500 pages of annotation updates for the MCA, including tables and updates for titles 2, 10, 17, 18, 19, 25, 27, 37, 44, 49, 70, 82, and 90 will be mailed in early April. An additional 14 titles will be updated with a June mailing, 8 titles in September, and the remaining 15 titles will be updated in December.

The next Legislative Council meeting is scheduled for May 4.

SELECT COMMITTEE ON WATER MARKETING

**MARCH 3 MEETING
HEARS ECONOMIST**

The Select Committee on Water Marketing met in Helena on March 3 and heard a presentation from Dr. Bruce Finnie, a Helena economist, on the future industrial demand for Montana's water. Dr. Finnie indicated that the demand for water in Montana for industrial purposes was likely to be small, if not nonexistent, for at least the next 10 years. He admitted, however, that unforeseeable events and circumstances could arise that may invalidate his projections. The Committee also heard from Jim Flynn, Director of the Department of Fish, Wildlife, and Parks on the Department's involvement in the program for reserving instream water flows for future beneficial uses, particularly for the preservation of fish and wildlife values.

The Committee plans to meet again in late April to develop a public information program on water policy issues and to proceed with further elements of the study outline.

ALBERTA/MONTANA LEGISLATIVE EXCHANGE

FEBRUARY 27
MEETING

Legislators from Alberta and Montana met on February 27 to discuss a number of issues related to agriculture in the two jurisdictions that could benefit from greater cooperation. Tentative plans were made for a further meeting later this year. Those who are interested in knowing more about the meeting may contact one of the participants or staff as follows:

Rep. Dennis Iverson (co-chair of the meeting)
Rep. Hal Harper
Rep. Bob Marks
Rep. Rex Manuel
Sen. Allen Kolstad
Sen. Joe Mazurek
Sen. Jack Galt
Sen. Dorothy Eck
Bob Person, Legislative Council
Hugh Zackheim, EQC

LEGISLATIVE INTERIM CALENDAR

*all meetings are subject to change

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LEGISLATIVE INTERIM CALENDAR

APRIL

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5	6 Leg. Audit Comm.-rm104 all day	7
8	9	10	11	12	13 Comm. #4 - 9:30am- rm104 Coal Tax Oversight Great Falls	14
15	16	17	18	19 Subcomm. #3 - 9am	20 rm. 104 9am	21
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